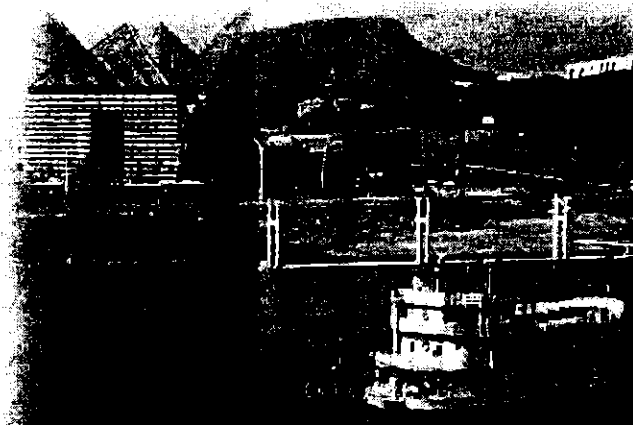


# Tennessee Regulatory Authority Annual Report

"Promoting the  
Public Interest:  
Electric  
Gas  
Telecommunications  
Water  
...for the Future."

For the period July 1, 2000 to June, 30, 2001

[www.state.tn.us/tra](http://www.state.tn.us/tra)



## TABLE OF CONTENTS

Letter to the Governor, Members of the Senate and Members of the House of Representatives.....	2
Introduction to the Authority .....	3
Organizational Chart of the Authority.....	6
Utilities Under the Authority's Jurisdiction.....	8
DIVISIONAL REPORTS	
Office of the Executive Secretary .....	9
Budget Summary.....	11
Revenue .....	12
Abstract of Minutes.....	13
Consumer Services Division.....	15
Economic Analysis & Policy Division.....	20
Energy & Water Division.....	21
Gas Pipeline Safety Division.....	25
Information Systems Division.....	32
Legal Division.....	33
Telecommunications Division.....	36

## INTRODUCTION TO THE TENNESSEE REGULATORY AUTHORITY

February 1, 2002

The Honorable Don Sundquist  
Governor, State of Tennessee

The Honorable John S. Wilder  
Lt. Governor

The Honorable Jimmy Naifeh  
Speaker of the House of Representatives

Members of the General Assembly

It is a pleasure to present you the Annual Report of the Tennessee Regulatory Authority for Fiscal Year 2000-2001. This report has been prepared in accordance with Tennessee Code Annotated § 65-1-211.

Within this report you will find highlights of the activities in which the TRA has been engaged during this past fiscal year. You will be able to review a budget summary, a breakdown of the accomplishments of each division and an abstract of the minutes of all TRA Directors' Conferences for the fiscal year.

The TRA is successfully managing the increased caseload resulting from passage of both the Tennessee Telecommunications Act of 1995, (Public Chapter 408) and the United States Telecommunications Act of 1996, while continuing to provide consumer services and ensuring the safety of Tennessee's natural gas distribution system.

At the present time there are 100 certified competing local exchange carriers in Tennessee. These companies are serving 10% of the total lines available to competitors and 28% of the business lines available to competitors. Fostering competition in the telecommunications industry will continue to be the hallmark of the TRA.

As we enter the second half of the fiscal year, we look forward to the many challenges that will arise. We also look forward to another year of support and encouragement from you.

We have endeavored to make this report thorough, informative and easily understood. If you have any questions or would like additional information, please feel free to contact us.

*Respectfully submitted,*

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director

## INTRODUCTION TO THE TENNESSEE REGULATORY AUTHORITY



In 1995, the General Assembly passed legislation to create the Tennessee Regulatory Authority (Authority), a governing body to regulate utilities in the state of Tennessee. The Authority's mission is to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment.

Leadership for the Authority is comprised of three Directors, each of whom is appointed to serve a six-year term. Chairman Sara Kyle was appointed by Speaker Jimmy Nafteh; Director Lynn Greer was appointed by Governor Don Sundquist; and Director Melvin Malone was appointed by Lt. Governor John Wilder. Every two years the Directors themselves elect a chairperson.



## INTRODUCTION Cont.

### OUR MISSION

*The mission of the Tennessee Regulatory Authority is to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment.*

This mission is fulfilled through the functions of economic regulation, regulatory oversight, and service regulation and consumer assistance.

**Economic Regulation** — The Authority provides an accessible and efficient regulatory process that is fair and unbiased. And we ensure that the regulatory process results in fair and reasonable rates while offering rate-based regulated utilities an opportunity to earn a fair return on their investments.

**Regulatory Oversight** — The Authority provides appropriate and necessary regulatory oversight to protect consumers and facilitate the development of fair and effective competition in the provision of telecommunications services.

**Service Regulation and Consumer Assistance** — The Authority protects and educates the public in the changing environment of competition among utilities by becoming a consumer service focused agency. We also inform utility consumers regarding utility matters and expedite the resolution of disputes between consumers and utilities.



### OUR PHILOSOPHY

To function with the highest degree of ethics, serving before the public with accountability and openness. To carry out our regulatory duties with diligence, while operating in a competent, effective, and efficient manner. In serving the public, we will balance the interests of consumers, regulated entities, and others, while maintaining a standard of excellence. This is accomplished by remaining technically up-to-date, utilizing modern state-of-the-art communications tools, computer systems and equipment, which allows for the responsive and accurate processing of consumer information, regulatory data, industry audits, inspection results, and requests for service.

**www.state.tn.us/tra**

The Tennessee Regulatory Authority is available on the World Wide Web at [www.state.tn.us/tra](http://www.state.tn.us/tra). The web site contains a wide spectrum of information and services for consumers as well as for the utilities under our jurisdiction.

Visitors to our web site will find resources that encompass the scope of our duties related to the companies that we regulate and the consumer programs under our direction. A sample of what's available includes:

**Consumer Information** — Whether a person wishes to register for the Tennessee "Do Not Call" program, learn about the reasons for area code changes, file a consumer complaint, or learn about our telephone assistance programs, it can all be found under the "consumer information" listing on our homepage.

**Divisional Information** — Information about each division is located under the "TRA Divisions" section of the site. There you will find each division's mission statement, along with a brief description of that division's function within the Authority.

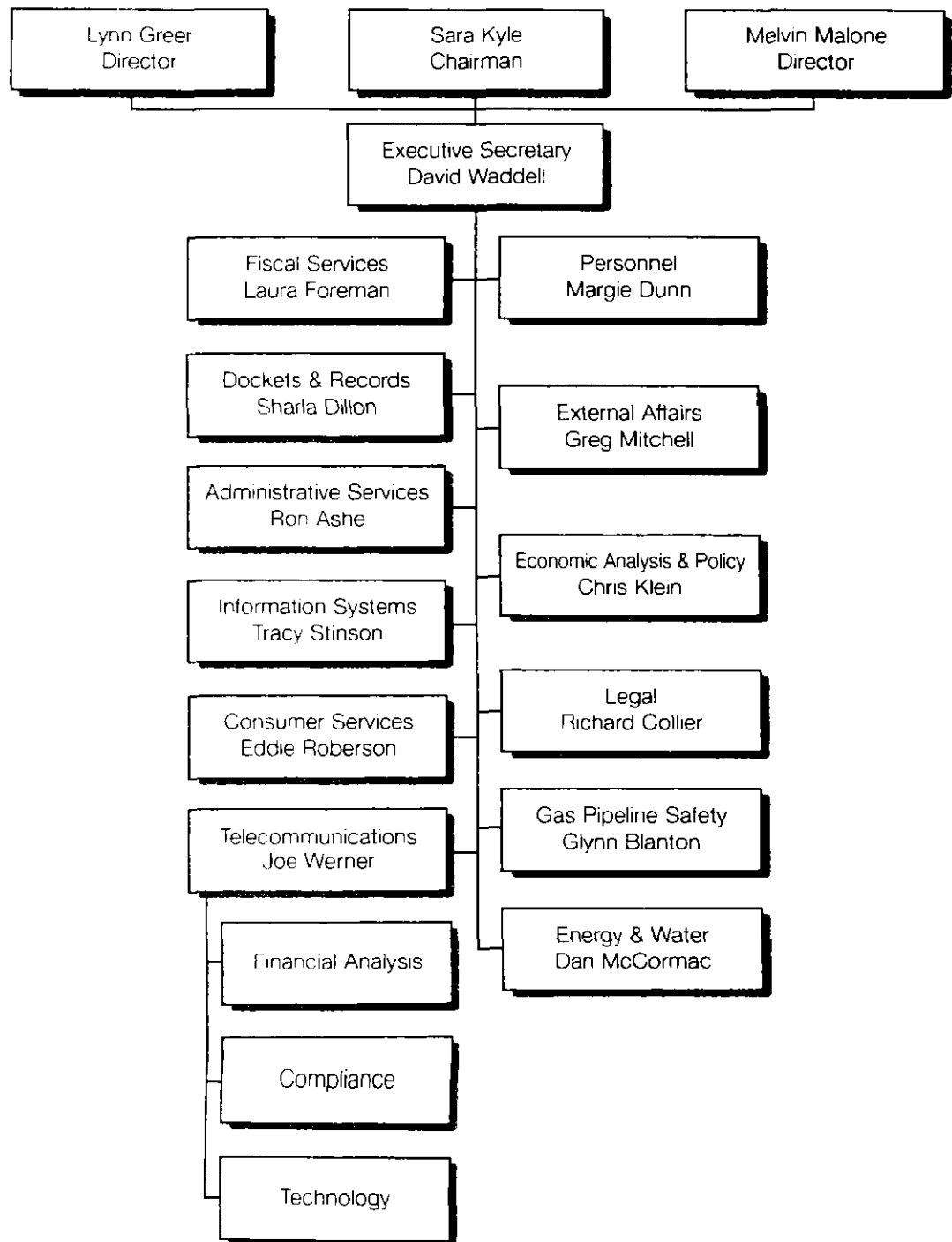
**Regulatory Cases** — Visitors can track the progression of a case online through the "Electronic Fileroom." Updated daily, there are over 2,000 dockets cataloged for review. And to make searching for documents easier, a keyword search engine has been added to accelerate the search process.

**Conference Agendas** — To coincide with our bi-monthly Authority conferences, an online version of our conference agenda is posted weekly on our site. To access a copy, go to the "Electronic Fileroom" and locate "Final Conference Agenda."

**TRA News** — Under "Press Releases" visitors will find information about recent Authority decisions.

**Miscellaneous** — Past and present TRA reports, TRA procedural Rules and Regulations, pertinent information related to gas pipeline news and utility applications and procedures, TRA Appeals and Petitions to the FCC, as well as TRA Orders can also be found online.

# TENNESSEE REGULATORY AUTHORITY



## INTRODUCTION Cont.

The Authority has jurisdiction over public utilities including:

electric companies,  
telephone companies,  
water companies, and  
natural gas companies

Pursuant to T.C.A. § 65-4-104, statutory responsibilities include making rules for utility operations, utility rates, and regulating gas safety standards. Quasi-judicial powers allow the Authority to decide the granting of operating authority and to adjudicate conflicts and controversies arising from utility operations.

Financially independent of the General Fund, the Authority's operational expenses are covered wholly by the industries it regulates, with a small portion coming from the federal government.

As of June 30, 2001, the Authority was budgeted for 90 positions. The Divisions and staff members are as follows:

Directors	3 Directors
Directors' Staff	6 members
Executive Secretary	11 members
Consumer Services	15 members
Energy & Water	5 members
Gas Pipeline Safety	7 members
Information Systems	4 members
Legal	9 members
Telecommunications	20 members
Economic Analysis & Policy	4 members
Universal Service Division	6 members
	<hr/>
	90 staff members

Staff of the Authority includes accountants, administrators, attorneys, consumer specialists, economists, engineers, information systems and computer specialists, a public information officer, and office support.



## UTILITIES UNDER THE AUTHORITY'S JURISDICTION

Listed below are the approximate number of utilities under the jurisdiction of the Tennessee Regulatory Authority as of June 30, 2001.

<b>Energy &amp; Water</b>	
Electric	3
Natural Gas Companies	6
Water & Waste Water	12
<b>Telecommunications</b>	
Competing Telephone Service Providers	100
Customer Owned-Coin Operated Telephone Providers	233
Incumbent Telephone Companies	18
Interexchange Carriers (IXCs)	4
Local Service Resellers	92
Resellers and Operator Service Providers	295
<b>Gas Pipeline Safety</b>	
Apartments*	17
Direct Sales*	23
Housing Authorities*	37
Intrastate Pipeline*	7
LNG Operators*	3
Mobile Home Parks*	5
Miscellaneous Master Meters*	1
Municipalities*	74
Utility Districts*	22
<b>Total Public Utilities</b>	<b>952</b>

\* These entities are regulated by the Authority only to ensure compliance with Minimum Federal Safety Standards for the transmission of natural gas.

## EXECUTIVE SECRETARY'S OFFICE

K. David Waddell  
Executive Secretary

**MISSION:** *To coordinate the activities of the Authority and ensure that matters brought before it are handled in a fair and impartial manner, always moving toward improving services to the people served by the authority.*

The Executive Secretary, in accordance with T.C.A. § 65-1-209, serves as the chief administrative officer of the Authority with the power and duty to conduct ordinary and necessary business in the name of the Authority. The specific duties of the Executive Secretary include:

- ♦ Subject to review by the Directors, employ and provide general supervision for such personnel as may be required to effect the purpose of the Authority;
- ♦ Serve as custodian of the Authority's official records by keeping a full and accurate record of all the proceedings and transactions of the Authority;
- ♦ Prepare annual budget;
- ♦ Supervise the expenditure of funds and compliance with all applicable provisions of state and federal law in receipt and disbursement of funds;
- ♦ Recommend to the Directors such rules and policies as are necessary and appropriate to efficiently and economically provide for the internal management of the Authority;
- ♦ Administer, monitor and review the operating procedures of each division of the Authority;
- ♦ Ensure that each division of the Authority fully executes in an efficient manner the separate duties and responsibilities assigned to each;
- ♦ Coordinate and expedite matters pending before the Authority;
- ♦ Prepare and distribute Directors' Conference Agendas;
- ♦ Schedule hearings;

In order to carry out these responsibilities, the Executive Secretary's office is divided into four areas: Dockets and Records, Personnel Office, Public Information, Fiscal and Administrative.

The Dockets and Records section, under the direction of Sharla Dillon, has the following responsibilities:

- ♦ Process all filings by regulated companies and other parties;
- ♦ Maintain lists of all pending dockets;
- ♦ Arrange transcription of hearings;
- ♦ Maintain permanent records of all hearings; and



## EXECUTIVE SECRETARY'S OFFICE

The Personnel Office, under the direction of Margie Dunn, performs all functions relating to human resource management including:

- ♦ Maintain personnel records;
- ♦ Coordinate training for Authority staff;
- ♦ Implement affirmative action plans;
- ♦ Coordinate insurance and retirement matters; and
- ♦ Prepare payroll.
- ♦ Arrange transcription of hearings;

The Office of External Affairs, under the direction of Greg Mitchell, performs the following functions:

- ♦ Write press releases regarding actions taken by the Authority;
- ♦ Prepare Authority reporting materials for the General Assembly;
- ♦ Publish a quarterly newsletter;
- ♦ Promote Authority website development;
- ♦ Coordinates Speaking Engagements;
- ♦ Monitors and maintains legislative relations;
- ♦ Develops and maintains the Authority's public awareness efforts.

The Fiscal Office, under the direction of Laura Foreman, performs the following functions:

- ♦ Supervises accounts payable/receivable;
- ♦ Oversees the agency's procurement functions;
- ♦ Audit and control expenditures;
- ♦ Maintain all fiscal reports for security purposes;
- ♦ Collect and deposit receipts.

The Administrative Section, under the direction of Ron Ashe, performs the following functions:

- ♦ Oversees all printing, form production and printed material inventories.
- ♦ Maintains an inventory of all equipment and supplies.
- ♦ Supervises the maintenance of the building and grounds by coordinating with property management, housekeeping and security personnel.
- ♦ Supervises the records management program.

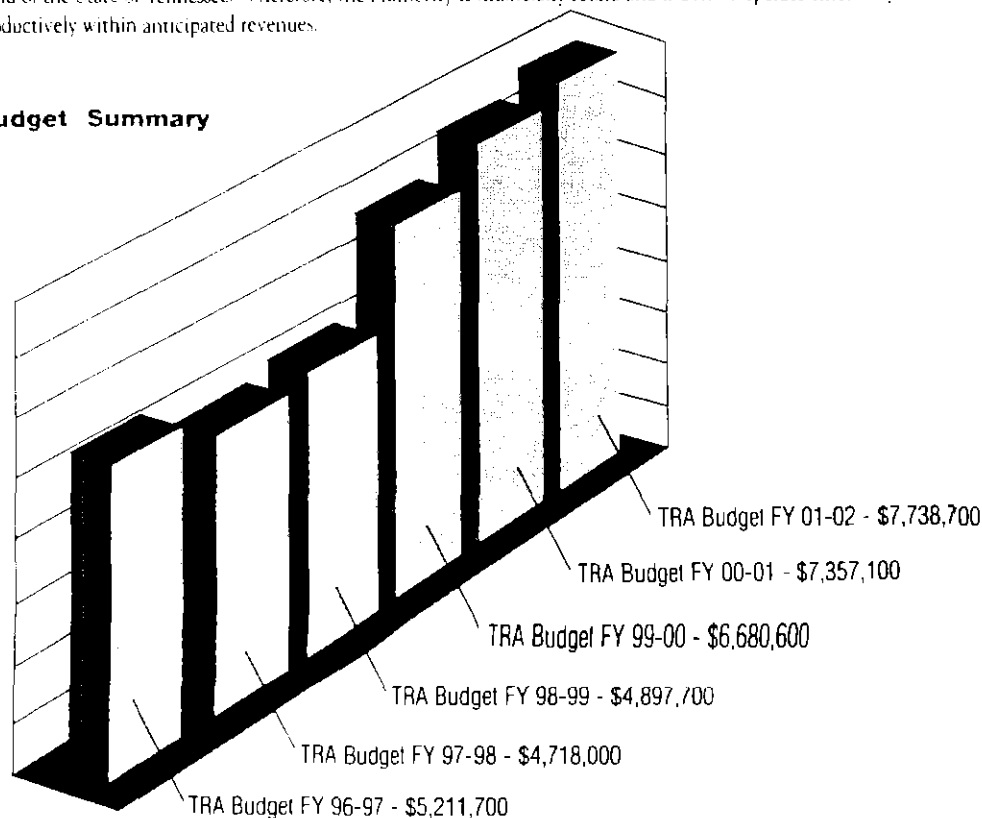
## BUDGET SUMMARY APPROPRIATIONS, FEES AND EXPENSES

The TRA began fiscal year 2000-2001 (FY01) with a budget of \$7,357,100 which was a 10.1% increase over the FY00 budget of \$6,680,600. Over half of the increase (\$346,900 or 5.2%) was due to the statewide salary increases and related costs effective July 1, 2000. The balance of the increase granted was to enable the Agency to manage the ever increasing number of issues before the Agency. While actual expenditures increased 20.4% from \$5,345,746 to \$6,434,211 for the same period, the revenues received for the period increased 6.8% from \$6,869,872 to \$7,340,316. Of the \$906,105 excess in revenues over expenditures, \$471,914 is the result of the Telecommunications Devices Access Program, the use of which is governed by specific legislation.

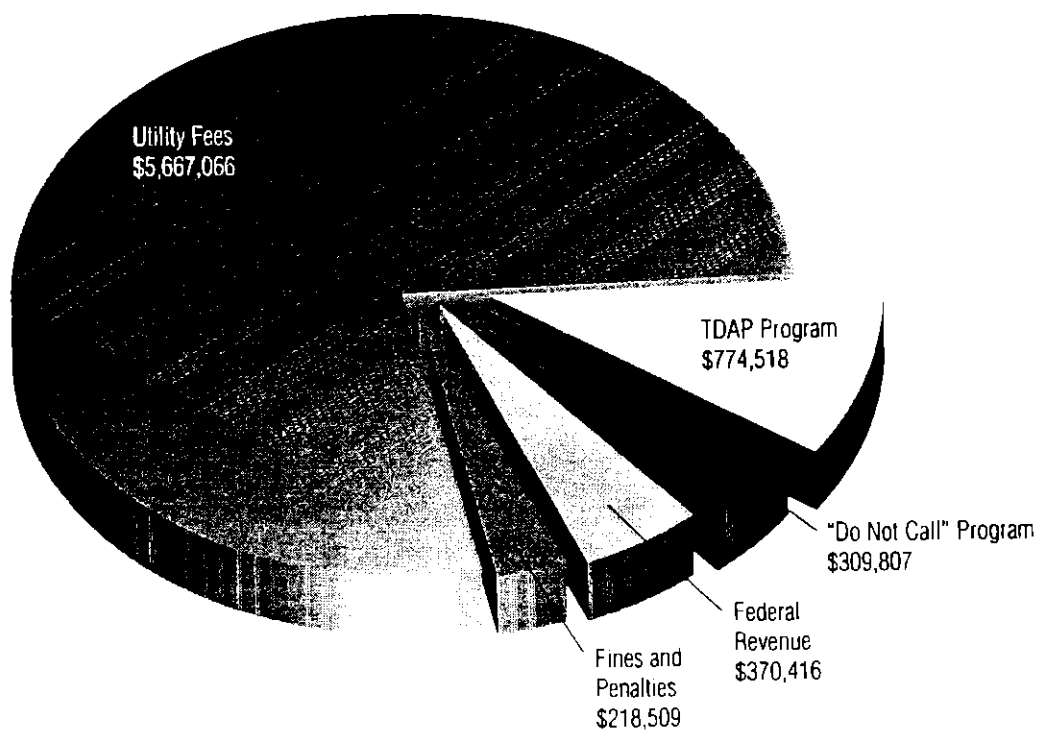
The majority of the revenues collected by the TRA are derived from utility inspection fees. These inspection fees are based on annual gross intrastate revenues and are paid by the public utilities to defray the cost of regulation by the TRA. Since the inception of the TRA on July 1, 1996, inspection fees have increased an average of 7.3% annually. During FY01 \$5,667,066 of the total revenue received was from inspection fees. In addition to the inspection fee revenue, the TRA received \$370,416 in federal revenue, \$309,807 in registration fees from telemarketers for the "Do No Call" program, \$774,518 in contributions to the "Telecommunications Devices Access Program," and \$218,509 in fines and penalties. All of these funds are deposited in the Public Utilities Account.

The budget for FY02 is \$7,738,700 of which 100% will be funded by revenues received from sources other than the General Fund of the State of Tennessee. Therefore, the Authority is financially sound and is able to operate efficiently and productively within anticipated revenues.

**Budget Summary**



**REVENUE OF TRA  
FY 2000-2001**



**Total Revenue**  
**\$7,340,316**

## ABSTRACT OF MINUTES

The Abstract of Minutes of the Authority submitted hereafter covers the period from July 1, 2000 to June 30, 2001.

The minutes of the Authority are kept on permanent file in the office of the Executive Secretary. These are available to the public for inspection at all times. In addition to paper files, the TRA maintains an electronic file room on its web page ([www.state.in.us/tra](http://www.state.in.us/tra)). All documents filed since 1-1-99 are available for viewing and printing. The Official Minutes show every action taken by the Authority. The Abstract of Minutes is recorded in permanent bound volumes and prepared in a manner permitting immediate reference to the actions of the Authority. The following data is submitted in connection with each item of business:

- ♦ Docket Number
- ♦ Name of Applicant/Petitioner
- ♦ Subject Matter of Application/Petitioner
- ♦ Date of Final Order
- ♦ Summary of Authority's Action

## ABSTRACT OF MINUTES (cont.)

An abstract or condensation of the Minutes is as follows:

### VOLUME OF PROCEEDINGS BEFORE THE AUTHORITY FOR FISCAL YEAR ENDING JUNE 30, 2001

	FY 97	FY 98	FY 99	FY 00	FY 01
Total Number of Filings	375	702	1454	1808	1925
Tariffs Reviewed	316	444	438	588	691
Interconnection and Resale Agreements Approved	42	69	81	87	146
COCOT Authorities Issued	212	62	48	41	36
Reseller Certificates Approved	78	91	134	87	41
Number of Conferences	27	25	26	26	24
Hearings	60	86	53	84	86
Hearing Days	35	100	55	76	75
Final Orders Issued	174	212	445	336	472
Orders on Appeal	5	6	6	7	17



## TELECOMMUNICATIONS DIVISION

Joseph T. Werner  
Chief

**Mission:** To provide the directors of the TRA with the detailed analysis needed to make informed decisions on issues related to the development of competitive markets and the preservation of affordable prices for telecommunications services in Tennessee.

In 1995, the Tennessee General Assembly revised the laws for regulating telecommunications in Tennessee. A year later Congress re-wrote the Federal telecommunications laws in the first major rewrite of Federal telecommunications laws since 1934. Both the State and Federal acts introduced competition in local telephone markets, called for reduced regulation, and directed the preservation of universal telephone service. While the new laws establish the basic framework for achieving these goals, state and federal regulators, like the TRA, are responsible for adopting the rules, regulations, policies and enforcement mechanisms to implement the legislative framework.

With the passage of State and Federal legislation introducing local telephone competition, the role of regulators in this area has changed dramatically. Previously, the primary responsibility of telecommunications regulators was to set rates and prices based on accounting data and financial forecasts. Now, the primary focus of regulators is on developing a competitive marketplace while maintaining affordable prices. A large part of the work done by the Telecommunications Division is now dictated by the statutory requirements of the Telecommunications Act of 1996 and mandates by the Federal Communications Commission. Regulators now serve as referees, arbitrators and mediators to resolve disputes between competitive carriers. The Telecommunications Division is now addressing such unprecedented issues as breaking down the telephone network into its individual components and pricing each component, certifying new entrants into the local telephone market, establishing a universal service fund to maintain affordable telephone rates and resolving disputes between providers.

Implementing the requirements of the new laws is proving to be an arduous, yet challenging responsibility. To prepare the detailed analysis needed for the directors to make informed decisions not only requires a strong financial background but also knowledge of the telephone network. The Telecommunications Division now consists of eighteen employees including a telecommunications engineer, four CPAs and three economists. The Telecommunications Division works in concert with the Economic Analysis, Consumer Services and Legal Divisions in formulating recommendations on telecommunications issues before the TRA.

Still, Tennesseans are seeing significant competitive activity in the business segments of the local telecommunications markets despite a large number of new entrants that have declared bankruptcy, ceased operations or otherwise experienced significant financial difficulties from the dramatic decline in capital dollars now available to these new entrants. As of June 30, 2001, one hundred (100) facilities-based competitors were certificated to provide local telephone service in the state, with twenty-eight (28) of these providers offering services in Tennessee. These 28 competitors serve 335,598 lines in Tennessee, primarily business customers in the State's four (4) largest metropolitan areas. This represents 10% of Tennessee's total lines open to competition and 28% of the business lines subject to competition. On June 30, 2001, new market entrants had invested \$489 million in equipment and facilities in Tennessee since the passage of these new laws. In contrast, on December 31, 1996 only six (6) facilities-based competitors were offering local telephone service in Tennessee, serving 300 lines. In 1996, competitors had invested \$56 million in equipment and facilities. Fifty-six (56) resellers are also providing local service to 33,480 lines. The majority of those lines are residential lines in the metropolitan areas.



## TELECOMMUNICATIONS DIVISION

Like previous years, the 2001 fiscal year was an exciting year for the Telecommunications Division. Below is a list of some of the major activities of the Telecommunications Division during the fiscal year.

- ♦ **Arbitrations of Interconnection Agreements.**

- The Authority arbitrated five (5) interconnection agreements and one hundred thirty seven (137) interconnection issues between competing local exchange carriers and BellSouth. The 1996 Federal Telecom Act allows parties to request arbitration or mediation from state regulatory commissions after the parties have negotiated for at least 135 days. Among the issues arbitrated were performance standards for the provision of wholesale services, intercarrier compensation for terminating calls of another provider, collocation requirements and terms and conditions regarding the availability of unbundled network elements.

- ♦ **Interconnection Complaints.**

- Resolved ten (10) formal interconnection disputes between competing carriers and incumbent providers. In most cases, the Authority was asked to interpret the language and requirements of the interconnection agreement signed by the parties. Five (5) of these complaints concerned whether intercarrier compensation was owed on calls to Internet Service Providers (ISPs). The authority has consistently ruled that intercarrier compensation is due on calls to ISPs. BellSouth appealed each of these complaints to Federal District Court.

- ♦ **Agreements to Interconnect the Networks of New Entrants with the Networks of Existing Telephone Companies.**

- For multiple providers of telephone services to exist, there must be compatibility between providers so that customers of the different providers may call each other. Both the State and Federal telecommunications acts require all providers of telecommunications to interconnect their facilities with the facilities of other carriers. During the fiscal year, the Telecommunications Division reviewed seventy-two (72) interconnection agreements, twenty-one (21) Commercial Mobile Radio Service interconnection agreements, fifty-two (52) resale agreements and one (1) Commercial Mobile Radio Service resale agreement.

- ♦ **Unbundled Network Element Pricing**

- The Federal Telecom Act requires the Bell Operating Companies to "unbundle" their networks so that new providers can purchase network elements from the incumbent providers in order to provide competing services. During the fiscal year, the Authority issued five (5) orders addressing numerous issues relevant to establishing prices for unbundled network elements including the establishment of interim rates for line sharing which permits consumers to obtain voice communications and high-speed Internet access from the carrier of their choice over the same line.

## TELECOMMUNICATIONS DIVISION

### ♦ Certification of Competitive Carriers

- Analyzed and approved the application of thirty-seven (37) companies requesting designation as facility-based competitive local exchange carriers including certification of Memphis Network, an affiliate of Memphis Light Gas and Water. The Telecommunications Division also reviewed thirteen (13) resellers of local telephone service and twenty-eight (28) resellers of long distance service during the fiscal year.

### ♦ Review of Contract Service Arrangements

- One of the ways that incumbent local exchange carriers have responded to the impending local telephone competition is by offering special pricing arrangements to selected customers. These arrangements, offered to large and medium-sized business customers, provide discounted prices to customers who commit to continue using BellSouth's service for a specified period of time, typically two to four years. BellSouth has offered over 306 contract service arrangements since 1995. In 2001, the Authority adopted rules regarding contract service arrangements including limitations on termination penalties.

### ♦ Small and Minority Owned Business Plans

- Enforced T.C.A. § 65-5-212 by collecting 224 Small and Minority Owned Business Plans from certificated providers of telecommunications services and collecting required contributions to the fund.

### ♦ Tariff Review

- Reviewed 691 tariff filings by telecommunications companies to introduce new services or to revise the rates, terms and conditions of existing services.

### ♦ Pay Telephone Certification

- Registered 36 payphone providers and 3,934 payphones during the fiscal year. The Authority also established cost-based rates for payphone access lines per the directives of the Federal Communications Commission (FCC).

## TELECOMMUNICATIONS DIVISION

### Telecommunications Service Providers Pertinent Data As of June 30, 2001

- Incumbent Local Exchange Carriers .....	18
- Competitive Local Exchange Carriers (Facilities Based) .....	100
- Telephone Cooperatives (Not regulated by the TRA) .....	10
- Local Service Resellers .....	92
- Long Distance Resellers .....	295
- Long Distance Companies (Facilities-Based) .....	4
- Pay Telephone Providers .....	233
- Pay Telephones .....	29,021
- Interconnection Agreements between Competitive Local Exchange and Incumbent Carriers .....	114
- Resale Agreements between Local Resellers and Incumbent Carriers .....	115
- Interconnection Agreements between Commercial Mobile Radio Services (CMRS) and Incumbent Carriers .....	56
- Resale Agreements between Commercial Mobile Radio Service (CMRS) and Incumbent Carriers .....	6

## TELECOMMUNICATIONS DIVISION

### Competitive Local Exchange Companies Certified by the TRA (As of October 31, 2001)

1. 360networks (USA)
2. Access Integrated Networks
3. Accutel Communications
4. Accutel of Texas
5. Actel Integrated Communications
6. Adelphia Business Solutions of Nashville
7. Adelphia Business Solutions Operations
8. Aeneas Communications
9. Alec, Inc.
10. Allied Riser of Tennessee
11. Alltel Communications
12. American Communication Sys. of Chattanooga
13. American Fiber Systems
14. Arbros Communications Licensing Co., SE
15. AT&T Communications
16. BellSouth BSE
17. Ben Lomand Communications
18. Birch Telecom of the South
19. BlueStar Network
20. Broadplex
21. Broadslate Networks of Tennessee
22. Broadstreet Communications
23. Brooks Fiber Communications of Tennessee
24. Business Telecom
25. CaroNer
26. CCTN, Inc. d/b/a Connect!
27. CenturyTel Solutions
28. Cinergy Communications
29. Citizens Telecommunications Company
30. Connect!LD
31. CTSI, Inc.
32. DIECA Communications d/b/a Covad
33. Digital Teleport
34. DSLnet Communications
35. Eagle Communications
36. Electric Power Board of Chattanooga
37. Enron Broadband Services
38. Essex Communications
39. Evolution Networks South
40. Gabriel Communications of Tennessee
41. Global Crossing Local Services
42. Global NAPs Gulf
43. ICG Telecom Group
44. IDS Telecom
45. IG2, Inc.
46. Intermedia Communications
47. ITCADeltaCom Communications
48. JATO Operating Two Corp.
49. KMC Telecom III
50. KMC Telecom V
51. Knology of Tennessee
52. LCI International Telecom d/b/a Qwest
53. LecStar Telecom
54. Level 3 Communications
55. Lightyear Communications
56. Madison River Communications
57. Maverix.com
58. Maxcess, Inc.
59. MCG Communications f/k/a Mpower
60. MCI WorldCom Communications
61. MCImetro Access Transmission Services
62. McLeod USA Telecommunications
63. Memphis Network
64. Metromedia Fiber Network Services
65. Metropolitan Fiber Systems of Tennessee
66. Momentum Business Solutions
67. NA Communications
68. NationNet Communications
69. Navigator Telecommunications
70. Network Plus
71. Network Telephone Corporation
72. New Edge Network
73. New South communications
74. NOS Communications
75. Nu Vox Communications
76. One Point Communications
77. Premiere Network Services, Inc.
78. Qwest Communications Corp.
79. Rhythms Links
80. Sprint Communications Company
81. TCG MidSouth
82. Telepak Networks
83. Tele-SyS, Inc.
84. Teligent Services
85. Time Warner Telecom
86. Touch America
87. US West Enterprise America d/b/a Qwest
88. US LEC of Tennessee
89. US TelePacific Corp.
90. Verizon Select Services
91. VIVO-TN
92. Williams Communications
93. WinStar Wireless
94. XO Tennessee
95. Xspedius Corp.
96. Zephion Networks
97. Z-Tel Communications



## COLLOCATION

BellSouth provides legally binding terms and conditions for collocation in its interconnection agreements and SGATs in Tennessee. BellSouth permits the collocation of equipment that, under this Commission's definition, is "necessary" for interconnection or access to UNEs. BellSouth also offers CLECs the opportunity to cross-connect with other collocated CLECs in conformance with the *Collocation Remand Order*. BellSouth provisions physical and virtual collocation in accord with the intervals approved by the TRA.

Collocation is readily available, as evidenced by the fact that BellSouth has provisioned 413 physical collocation sites in 59 central offices in Tennessee. BellSouth has also provisioned 11 virtual collocation sites in Tennessee. From May through July 2002, BellSouth met the applicable benchmarks for *every* collocation measure and submetric in Tennessee.

BellSouth maintains a publicly-available document on its Interconnection Website that lists all central offices where collocation space has been exhausted. BellSouth updates this document within 10 days of an event, such as space assignment for collocation or use by BellSouth, that exhausts collocation capacity in a particular premises (*i.e.*, leaves less than a single bay of collocation space).